

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number _____

Meeting Type: Regular

Meeting Date: 5/3/2012

Action Requested By:
Legal

Agenda Item Type
Resolution

Subject Matter:

Invoking letter of credit

Exact Wording for the Agenda:

Resolution authorizing the Clerk-Treasurer to invoke Worthington Federal Bank letter of credit No. 2011-040 for The Preserve at Limestone Creek Subdivision Phase 1.

Note: If amendment, please state title and number of the original

Item to be considered for: Action

Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what Council action will provide, allow and accomplish and; any other information that might be helpful.

Associated Cost:

Budgeted Item: Not applicable

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head: 

Date: 4-26-12

RESOLUTION NO. 12-_____

WHEREAS, Worthington Federal Bank issued a certain letter of credit (No. 2011-040), a copy of which is attached hereto and incorporated herein by reference, including any amendments thereto, in favor of the City of Huntsville, Alabama pursuant to Article 5 of the Subdivision Regulations for the City of Huntsville, Alabama; and

WHEREAS, the letter of credit is due to be invoked and the proceeds used in accordance with said subdivision regulations.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the City of Huntsville Clerk-Treasurer be and is hereby authorized to present for payment to Worthington Federal Bank Letter of Credit No. 2011-040, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 3rd day of May, 2012.

President of the City Council
of the City of Huntsville,
Alabama

APPROVED this the 3rd day of May, 2012.

Mayor of the City of
Huntsville, Alabama



Worthington FEDERAL BANK

...defining convenience a different way

IRREVOCABLE LETTER OF CREDIT

imp
let

Beneficiary:

City of Huntsville
P.O. Box 308
Huntsville, AL 35804

Account Party:

Limestone Management, Inc
9620 Deer Track Court
Brentwood, TN 37027

Bank:

Worthington Federal Bank
3301 Memorial Parkway S W
Huntsville, AL 35801

Subject:

Article 5 improvements /Pre-Acceptance Letter of Credit

For: The Preserve at Limestone Creek Subdivision Phase I

Amount:

\$70,000.00

Letter of Credit # 2011-040

Issue Date:

May 20, 2011

Expiration Date:

May 20, 2012

MS
5/24/11

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit in your favor, effective May 20, 2011, for a sum not to exceed the aggregate of \$70,000.00. Available by your one or more drafts at SIGHT on us.


All draft(s) drawn under and in compliance with the terms of this Credit prior to the expiration thereof will be duly honored if drawn and presented for payment to Worthington Federal Bank.

Each draft must be accompanied by a statement signed by a representative of the City of Huntsville, Alabama, stating that the draw is being made pursuant to Article 5 of the Subdivision Regulations.

The original of this Letter of Credit must be presented with any drawing.

We hereby engage with you that drafts drawn under and in compliance with the terms of the credit will be duly honored upon presentation and delivery of the documents as specified.

This Letter of Credit shall be governed by the laws of the State of Alabama, including, but not limited to, the State of Alabama Uniform Commercial Code, as the same may be from time to time amended.


J. Robert Thompson, IV Commercial Loan Officer

Date: May 20, 2011

OK
CSH
5/25/11



Worthington
FEDERAL BANK

001 Memorial Parkway SW, Huntsville, AL 35801

WORTHINGTON FEDERAL BANK
HUNTSVILLE, ALABAMA
61-9278/622

No. 4007562

DATE: 05/20/11

AMOUNT

\$ ***30,000.00***

THIRTY THOUSAND and 00/100USDollars

PAY TO THE ORDER OF CITY OF HUNTSVILLE

CASHIER'S CHECK

Angela Knight
AUTHORIZED SIGNATURE

MP

REMITTER: WILLIAM RAYMOND MAHAFFEY JR

Ray Jones
AUTHORIZED SIGNATURE

MP

⑈4007562⑈ ⑆062292788⑆ 0299000018⑈051

yOfHuntsville
Y OF HUNTSVILLE
rk Treasurer's Dept. 055
4302-1 05/23/2011 117
May23,2011 08:48 AM

ie: WILLIAM RAYMOND MAHAFFEY JR

2 - PERFORMANCE BONDS \$30,000.00
an Nbr: 111430201 0002 0002
11t'1 Infp: PRESERVE AT LIMESTONE
: 01-0000-2251-0000 \$30,000.00

ITEM(S): TOTAL: \$30,000.00

eck GF (Chk# 4007562) < \$30,000.00
tal Received: \$30,000.00

ank You!

*****CUSTOMER COPY*****